		FOR OHF USE					

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2003
STATE OF ILLINOIS
DEPARTMENT OF PUBLIC AID
FINANCIAL AND STATISTICAL REPORT FOR LONG-TERM CARE FACILITIES
(FISCAL YEAR 2003)

IMPORTANT NOTICE
THIS AGENCY IS REQUESTING DISCLOSURE OF INFORMATION THAT IS NECESSARY TO ACCOMPLISH THE STATUTORY PURPOSE AS OUTLINED IN 210 ILCS 45/3-208. DISCLOSURE OF THIS INFORMATION IS MANDATORY. FAILURE TO PROVIDE ANY INFORMATION ON OR BEFORE THE DUE DATE WILL RESULT IN CESSATION OF PROGRAM PAYMENTS. THIS FORM HAS BEEN APPROVED BY THE FORMS MANAGEMENT CENTER.

I. IDPH Facility ID Number: 0035782

Facility Name: Winston Manor Cnv & Nursing

Address: 2155 West Pierce Avenue (Number) Chicago (City) 60622 (Zip Code)

County: Cook

Telephone Number: (773) 252-2066 **Fax #** (773) 252-3688

IDPA ID Number: 363671711001

Date of Initial License for Current Owners: 01/01/1990

Type of Ownership:

	VOLUNTARY,NON-PROFIT	X	PROPRIETARY		GOVERNMENTAL
	Charitable Corp.		Individual		State
	Trust		Partnership		County
IRS Exemption Code			Corporation		Other
		X	"Sub-S" Corp.		
			Limited Liability Co.		
			Trust		
			Other		

In the event there are further questions about this report, please contact:
Name: Sanford B Alper **Telephone Number:** (847) 580-4100

II. CERTIFICATION BY AUTHORIZED FACILITY OFFICER

I have examined the contents of the accompanying report to the State of Illinois, for the period from 01/01/2003 to 12/31/2003 and certify to the best of my knowledge and belief that the said contents are true, accurate and complete statements in accordance with applicable instructions. Declaration of preparer (other than provider) is based on all information of which preparer has any knowledge.

Intentional misrepresentation or falsification of any information in this cost report may be punishable by fine and/or imprisonment.

Officer or Administrator of Provider
(Signed) _____ (Date)
(Type or Print Name) _____
(Title) _____

Paid Preparer
(Signed) _____ (Date)
(Print Name and Title) Sanford B Alper - Principal
Kessler, Orlean, Silver & Co. P.C.
(Firm Name & Address) 1101 Lake Cook Road. Suite C
Deerfield, Illinois 60015-5233
(Telephone) (847) 58-4100 Fax # (847) 580-4199

MAIL TO: OFFICE OF HEALTH FINANCE
ILLINOIS DEPARTMENT OF PUBLIC AID
201 S. Grand Avenue East
Springfield, IL 62763-0001 Phone # (217) 782-1630

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

III. STATISTICAL DATA

A. Licensure/certification level(s) of care; enter number of beds/bed days, (must agree with license). Date of change in licensed beds 180

	1 Beds at Beginning of Report Period	2 Licensure Level of Care	3 Beds at End of Report Period	4 Licensed Bed Days During Report Period	
1		Skilled (SNF)			1
2		Skilled Pediatric (SNF/PED)			2
3	180	Intermediate (ICF)	180	65,700	3
4		Intermediate/DD			4
5		Sheltered Care (SC)			5
6		ICF/DD 16 or Less			6
7	180	TOTALS	180	65,700	7

B. Census-For the entire report period.

	1 Level of Care	2 Patient Days by Level of Care and Primary Source of Payment: Public Aid Recipient	3 Private Pay	4 Other	5 Total	
8	SNF					8
9	SNF/PED					9
10	ICF	57,875	794	602	59,271	10
11	ICF/DD					11
12	SC					12
13	DD 16 OR LESS					13
14	TOTALS	57,875	794	602	59,271	14

C. Percent Occupancy. (Column 5, line 14 divided by total licensed bed days on line 7, column 4.) 90.21%

D. How many bed-hold days during this year were paid by Public Aid?
749 (Do not include bed-hold days in Section B.)

E. List all services provided by your facility for non-patients.
(E.g., day care, "meals on wheels", outpatient therapy)
None

F. Does the facility maintain a daily midnight census? Yes

G. Do pages 3 & 4 include expenses for services or investments not directly related to patient care?
YES [X] NO [ ]

H. Does the BALANCE SHEET (page 17) reflect any non-care assets?
YES [ ] NO [X]

I. On what date did you start providing long term care at this location?
Date started 01/01/1990

J. Was the facility purchased or leased after January 1, 1978?
YES [X] Date 1989 NO [ ]

K. Was the facility certified for Medicare during the reporting year?
YES [ ] NO [X] If YES, enter number of beds certified _____ and days of care provided _____

Medicare Intermediary Mutual of Omaha

IV. ACCOUNTING BASIS

ACCRUAL	MODIFIED CASH*	CASH*
[X]	[ ]	[ ]

Is your fiscal year identical to your tax year? YES [X] NO [ ]

Tax Year: 12/31/2003 Fiscal Year: 12/31/2003

* All facilities other than governmental must report on the accrual basis.

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

V. COST CENTER EXPENSES (throughout the report, please round to the nearest dollar)

	Operating Expenses	Costs Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR OHF USE ONLY		
		Salary/Wage	Supplies	Other	Total							
	A. General Services	1	2	3	4	5	6	7	8	9	10	
1	Dietary	213,803	27,856	8,903	250,562		250,562	13,785	264,347			1
2	Food Purchase		161,792		161,792	(21,626)	140,166	0	140,166			2
3	Housekeeping	146,498	16,596		163,094		163,094	0	163,094			3
4	Laundry		10,103		10,103	0	10,103	0	10,103			4
5	Heat and Other Utilities			108,923	108,923		108,923	326	109,249			5
6	Maintenance	28,956	49,084	73,057	151,097		151,097	17,119	168,216			6
7	Other (specify):*			12,516	12,516		12,516	0	12,516			7
8	**TOTAL General Services**	389,257	265,431	203,399	858,087	(21,626)	836,461	31,230	867,691			8
	B. Health Care and Programs											
9	Medical Director				0		0	0	0			9
10	Nursing and Medical Records	974,173	24,695	3,848	1,002,716		1,002,716	0	1,002,716			10
10a	Therapy	25,612		1,093	26,705		26,705	0	26,705			10a
11	Activities	87,785	3,558	1,100	92,443		92,443	0	92,443			11
12	Social Services			2,570	2,570		2,570	0	2,570			12
13	Nurse Aide Training				0		0	0	0			13
14	Program Transportation				0		0	0	0			14
15	Other (specify):*				0		0	0	0			15
16	**TOTAL Health Care and Programs**	1,087,570	28,253	8,611	1,124,434	0	1,124,434	0	1,124,434			16
	C. General Administration											
17	Administrative	15,501		332,440	347,941		347,941	(208,352)	139,589			17
18	Directors Fees				0		0	0	0			18
19	Professional Services			61,063	61,063		61,063	787	61,850			19
20	Dues, Fees, Subscriptions & Promotions			24,574	24,574		24,574	(3,253)	21,321			20
21	Clerical & General Office Expenses	99,499		56,501	156,000		156,000	133,779	289,779			21
22	Employee Benefits & Payroll Taxes			351,464	351,464	21,626	373,090	17,887	390,977			22
23	Inservice Training & Education				0		0	0	0			23
24	Travel and Seminar			420	420		420	0	420			24
25	Other Admin. Staff Transportation			1,715	1,715		1,715	0	1,715			25
26	Insurance-Prop.Liab.Malpractice			171,996	171,996		171,996	0	171,996			26
27	Other (specify):*				0		0	0	0			27
28	**TOTAL General Administration**	115,000	0	1,000,173	1,115,173	21,626	1,136,799	(59,152)	1,077,647			28
29	**TOTAL Operating Expense (sum of lines 8, 16 & 28)**	1,591,827	293,684	1,212,183	3,097,694	0	3,097,694	(27,922)	3,069,772			29

***Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.**

NOTE: Include a separate schedule detailing the reclassifications made in column 5. Be sure to include a detailed explanation of each reclassification.

Facility Name & ID Number Winston Manor Cnv & Nursing #0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

V. COST CENTER EXPENSES (continued)

	Capital Expense	Cost Per General Ledger				Reclass-ification	Reclassified Total	Adjust-ments	Adjusted Total	FOR OHF USE ONLY		
		Salary/Wage 1	Supplies 2	Other 3	Total 4	5	6	7	8	9	10	
	D. Ownership											
30	Depreciation			22,492	22,492		22,492	53,841	76,333			30
31	Amortization of Pre-Op. & Org.				0		0	0	0			31
32	Interest				0		0	0	0			32
33	Real Estate Taxes				0		0	102,675	102,675			33
34	Rent-Facility & Grounds			482,675	482,675		482,675	(482,352)	323			34
35	Rent-Equipment & Vehicles			22,786	22,786		22,786	286	23,072			35
36	Other (specify):*				0		0	0	0			36
37	**TOTAL Ownership**			527,953	527,953	0	527,953	(325,550)	202,403			37
	Ancillary Expense											
	E. Special Cost Centers											
38	Medically Necessary Transportation				0		0	0	0			38
39	Ancillary Service Centers				0		0	0	0			39
40	Barber and Beauty Shops				0		0	0	0			40
41	Coffee and Gift Shops				0		0	0	0			41
42	Provider Participation Fee			98,550	98,550		98,550	0	98,550			42
43	Other (specify):*				0		0	0	0			43
44	**TOTAL Special Cost Centers**	0	0	98,550	98,550	0	98,550	0	98,550			44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	1,591,827	293,684	1,838,686	3,724,197	0	3,724,197	(353,472)	3,370,725			45

***Attach a schedule if more than one type of cost is included on this line, or if the total exceeds $1000.**

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

VI. ADJUSTMENT DETAIL

A. The expenses indicated below are non-allowable and should be adjusted out of Schedule V, pages 3 or 4 via column 7. In column 2 below, reference the line on which the particular cost was included. (See instructions.)

	NON-ALLOWABLE EXPENSES	1 Amount	2 Reference	3 OHF USE ONLY	
1	Day Care	$		$	1
2	Other Care for Outpatients				2
3	Governmental Sponsored Special Programs				3
4	Non-Patient Meals				4
5	Telephone, TV & Radio in Resident Rooms				5
6	Rented Facility Space				6
7	Sale of Supplies to Non-Patients				7
8	Laundry for Non-Patients				8
9	Non-Straightline Depreciation	(725)	30		9
10	Interest and Other Investment Income				10
11	Discounts, Allowances, Rebates & Refunds				11
12	Non-Working Officer's or Owner's Salary				12
13	Sales Tax				13
14	Non-Care Related Interest				14
15	Non-Care Related Owner's Transactions				15
16	Personal Expenses (Including Transportation)				16
17	Non-Care Related Fees				17
18	Fines and Penalties	(50)	21		18
19	Entertainment				19
20	Contributions	(20,239)	21		20
21	Owner or Key-Man Insurance				21
22	Special Legal Fees & Legal Retainers				22
23	Malpractice Insurance for Individuals				23
24	Bad Debt				24
25	Fund Raising, Advertising and Promotional				25
26	Income Taxes and Illinois Personal Property Replacement Tax				26
27	Nurse Aide Training for Non-Employees				27
28	Yellow Page Advertising	(758)	20		28
29	Other-Attach Schedule See Attached Schedule	(2,606)			29
30	**SUBTOTAL (A): (Sum of lines 1-29)**	$ (24,378)		$ 0	30

OHF USE ONLY								
48		49		50		51		52	

B. If there are expenses experienced by the facility which do not appear in the general ledger, they should be entered below.(See instructions.)

		1 Amount	2 Reference	
31	Non-Paid Workers-Attach Schedule*	$		31
32	Donated Goods-Attach Schedule*			32
33	Amortization of Organization & Pre-Operating Expense			33
34	Adjustments for Related Organization Costs (Schedule VII)	(329,094)		34
35	Other- Attach Schedule			35
36	**SUBTOTAL (B): (sum of lines 31-35)**	$ (329,094)		36
37	**TOTAL ADJUSTMENTS (sum of SUBTOTALS (A) and (B))**	$ (353,472)		37

***These costs are only allowable if they are necessary to meet minimum licensing standards. Attach a schedule detailing the items included on these lines.**

C. Are the following expenses included in Sections A to D of pages 3 and 4? If so, they should be reclassified into Section E. Please reference the line on which they appear before reclassification. (See instructions.)

		1 Yes	2 No	3 Amount	4 Reference	
38	Medically Necessary Transport.			$		38
39						39
40	Gift and Coffee Shops					40
41	Barber and Beauty Shops					41
42	Laboratory and Radiology					42
43	Prescription Drugs					43
44	Exceptional Care Program					44
45	Other-Attach Schedule					45
46	Other-Attach Schedule					46
47	**TOTAL (C): (sum of lines 38-46)**			$		47

Winston Manor Cnv & Nursing

ID# 0035782

Report Period Beginning: 01/01/2003

Ending: 12/31/2003

	NON-ALLOWABLE EXPENSES	Amount	Sch. V Line Reference	
1	Franchise Fee - Management Company	$ (17)	21	1
2	Non Deductible Dues	(2,589)	20	2
3				3
4				4
5				5
6				6
7				7
8				8
9				9
10				10
11				11
12				12
13				13
14				14
15				15
16				16
17				17
18				18
19				19
20				20
21				21
22				22
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30				30
31				31
32				32
33				33
34				34
35				35
36				36
37				37
38				38
39				39
40				40
41				41
42				42
43				43
44				44
45				45
46				46
47				47
48				48
49	**Total**	(2,606)		49

STATE OF ILLINOIS

Summary A

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Operating Expenses	PAGES 5 & 5A	PAGE 6	PAGE 6A	PAGE 6B	PAGE 6C	PAGE 6D	PAGE 6E	PAGE 6F	PAGE 6G	PAGE 6H	PAGE 6I	SUMMARY TOTALS (to Sch V, col.7)	
	A. General Services													
1	Dietary	0	0	13,785	0	0	0	0	0	0	0	0	13,785	1
2	Food Purchase	0	0	0	0	0	0	0	0	0	0	0	0	2
3	Housekeeping	0	0	0	0	0	0	0	0	0	0	0	0	3
4	Laundry	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Heat and Other Utilities	0	326	0	0	0	0	0	0	0	0	0	326	5
6	Maintenance	0	546	16,573	0	0	0	0	0	0	0	0	17,119	6
7	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	7
8	**TOTAL General Services**	0	872	30,358	0	0	0	0	0	0	0	0	31,230	8
	B. Health Care and Programs													
9	Medical Director	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Nursing and Medical Records	0	0	0	0	0	0	0	0	0	0	0	0	10
10a	Therapy	0	0	0	0	0	0	0	0	0	0	0	0	10a
11	Activities	0	0	0	0	0	0	0	0	0	0	0	0	11
12	Social Services	0	0	0	0	0	0	0	0	0	0	0	0	12
13	Nurse Aide Training	0	0	0	0	0	0	0	0	0	0	0	0	13
14	Program Transportation	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	15
16	**TOTAL Health Care and Programs**	0	0	0	0	0	0	0	0	0	0	0	0	16
	C. General Administration													
17	Administrative	0	0	(208,352)	0	0	0	0	0	0	0	0	(208,352)	17
18	Directors Fees	0	0	0	0	0	0	0	0	0	0	0	0	18
19	Professional Services	0	787	0	0	0	0	0	0	0	0	0	787	19
20	Fees, Subscriptions & Promotions	(3,347)	0	94	0	0	0	0	0	0	0	0	(3,253)	20
21	Clerical & General Office Expenses	(20,306)	3,076	151,009	0	0	0	0	0	0	0	0	133,779	21
22	Employee Benefits & Payroll Taxes	0	17,887	0	0	0	0	0	0	0	0	0	17,887	22
23	Inservice Training & Education	0	0	0	0	0	0	0	0	0	0	0	0	23
24	Travel and Seminar	0	0	0	0	0	0	0	0	0	0	0	0	24
25	Other Admin. Staff Transportation	0	0	0	0	0	0	0	0	0	0	0	0	25
26	Insurance-Prop.Liab.Malpractice	0	0	0	0	0	0	0	0	0	0	0	0	26
27	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	27
28	**TOTAL General Administration**	(23,653)	21,750	(57,249)	0	0	0	0	0	0	0	0	(59,152)	28
29	**TOTAL Operating Expense (sum of lines 8,16 & 28)**	(23,653)	22,622	(26,891)	0	0	0	0	0	0	0	0	(27,922)	29

STATE OF ILLINOIS

Summary B

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 **Report Period Beginning:** 01/01/2003 **Ending:** 12/31/2003

SUMMARY OF PAGES 5, 5A, 6, 6A, 6B, 6C, 6D, 6E, 6F, 6G, 6H AND 6I

	Capital Expense	PAGES	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	PAGE	SUMMARY TOTALS	
	D. Ownership	5 & 5A	6	6A	6B	6C	6D	6E	6F	6G	6H	6I	(to Sch V, col.7)	
30	Depreciation	(725)	3,662	0	50,904	0	0	0	0	0	0	0	53,841	30
31	Amortization of Pre-Op. & Org.	0	0	0	0	0	0	0	0	0	0	0	0	31
32	Interest	0	0	0	0	0	0	0	0	0	0	0	0	32
33	Real Estate Taxes	0	0	0	102,675	0	0	0	0	0	0	0	102,675	33
34	Rent-Facility & Grounds	0	323	0	(482,675)	0	0	0	0	0	0	0	(482,352)	34
35	Rent-Equipment & Vehicles	0	286	0	0	0	0	0	0	0	0	0	286	35
36	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	36
37	**TOTAL Ownership**	(725)	4,271	0	(329,096)	0	0	0	0	0	0	0	(325,550)	37
	Ancillary Expense													
	E. Special Cost Centers													
38	Medically Necessary Transportation	0	0	0	0	0	0	0	0	0	0	0	0	38
39	Ancillary Service Centers	0	0	0	0	0	0	0	0	0	0	0	0	39
40	Barber and Beauty Shops	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Coffee and Gift Shops	0	0	0	0	0	0	0	0	0	0	0	0	41
42	Provider Participation Fee	0	0	0	0	0	0	0	0	0	0	0	0	42
43	Other (specify):*	0	0	0	0	0	0	0	0	0	0	0	0	43
44	**TOTAL Special Cost Centers**	0	0	0	0	0	0	0	0	0	0	0	0	44
45	**GRAND TOTAL COST (sum of lines 29, 37 & 44)**	(24,378)	26,893	(26,891)	(329,096)	0	0	0	0	0	0	0	(353,472)	45

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

VII. RELATED PARTIES

A. **Enter below the names of ALL owners and related organizations (parties) as defined in the instructions. Attach an additional schedule if necessary.**

1 OWNERS		2 RELATED NURSING HOMES		3 OTHER RELATED BUSINESS ENTITIES		
Name	Ownership %	Name	City	Name	City	Type of Business
Marvin Mermelstein	75.00%	Balmoral Home, Inc.	Chicago	Nivram Mgmt, Inc.	Chicago, IL	Management
Joseph Mermelstein	25.00%	Emerald Park Nursing Center	Evergreen Park			
		Central Nursing Home, Inc.	Chicago	PierceBuilding Ptsp.	Chicago, IL	Lessor
		Sovereign Healthcare, L.L.C.	Chicago			
		Chicago Ridge Nursing and Rehab Center	Chicago Ridge			

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
1	V	21	Bank Charges	$	Nivram Management, Inc.	50.00%	$ 52	$ 52	1
2	V	21	Office Expenses		Nivram Management, Inc.	50.00%	1,344	1,344	2
3	V	21	Supplies		Nivram Management, Inc.	50.00%	1,459	1,459	3
4	V	21	Franchise Tax		Nivram Management, Inc.	50.00%	17	17	4
5	V	19	Accounting		Nivram Management, Inc.	50.00%	787	787	5
6	V	22	Payroll Taxes		Nivram Management, Inc.	50.00%	16,300	16,300	6
7	V	5	Utilities		Nivram Management, Inc.	50.00%	326	326	7
8	V	34	Rent		Nivram Management, Inc.	50.00%	323	323	8
9	V	6	Repairs & Maintenance		Nivram Management, Inc.	50.00%	546	546	9
10	V	22	Health Insurance		Nivram Management, Inc.	50.00%	1,587	1,587	10
11	V	21	Moving Expense		Nivram Management, Inc.	50.00%	204	204	11
12	V	35	Equipment Rental		Nivram Management, Inc.	50.00%	286	286	12
13	V	30	Depreciation		Nivram Management, Inc.	50.00%	3,662	3,662	13
14	Total			$			$ 26,893	$ * 26,893	14

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	21	Auto Expense	$	Nivram Management, Inc.	50.00%	$ 59	$ 59	15
16	V	20	Advertising		Nivram Management, Inc.	50.00%	94	94	16
17	V	21	Commissions		Nivram Management, Inc.	50.00%	2,653	2,653	17
18	V	21	Telephone		Nivram Management, Inc.	50.00%	887	887	18
19	V	6	Plant Supervisor Salary		Nivram Management, Inc.	50.00%	16,573	16,573	19
20	V	17	Asst. Administrator Salary		Nivram Management, Inc.	50.00%	24,859	24,859	20
21	V	21	Office Manager Salary		Nivram Management, Inc.	50.00%	45,000	45,000	21
22	V	1	Food Service Supervisor Salary		Nivram Management, Inc.	50.00%	13,785	13,785	22
23	V	17	Administrative Salaries		Nivram Management, Inc.	50.00%	39,075	39,075	23
24	V	17	Administrator Salary		Nivram Management, Inc.	50.00%	60,154	60,154	24
25	V	21	Clerical Salaries		Nivram Management, Inc.	50.00%	102,410	102,410	25
26	V	17	Management Fees	332,440	Nivram Management, Inc.	50.00%		(332,440)	26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 332,440			$ 305,549	$ * (26,891)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

VII. RELATED PARTIES (continued)

B. Are any costs included in this report which are a result of transactions with related organizations? This includes rent, management fees, purchase of supplies, and so forth. [X] YES [ ] NO

If yes, costs incurred as a result of transactions with related organizations must be fully itemized in accordance with the instructions for determining costs as specified for this form.

1 Schedule V		2 Line	3 Cost Per General Ledger Item	4 Amount	5 Cost to Related Organization Name of Related Organization	6 Percent of Ownership	7 Operating Cost of Related Organization	8 Difference: Adjustments for Related Organization Costs (7 minus 4)	
15	V	30	Depreciation	$	Pierce Building Partnership	50.00%	$ 50,904	$ 50,904	15
16	V	33	Property Taxes		Pierce Building Partnership	50.00%	102,675	102,675	16
17	V	34	Rent	482,675	Pierce Building Partnership	50.00%		(482,675)	17
18	V								18
19	V								19
20	V								20
21	V								21
22	V								22
23	V								23
24	V								24
25	V								25
26	V								26
27	V								27
28	V								28
29	V								29
30	V								30
31	V								31
32	V								32
33	V								33
34	V								34
35	V								35
36	V								36
37	V								37
38	V								38
39	Total			$ 482,675			$ 153,579	$ * (329,096)	39

* Total must agree with the amount recorded on line 34 of Schedule VI.

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

VII. RELATED PARTIES (continued)

C. Statement of Compensation and Other Payments to Owners, Relatives and Members of Board of Directors.

NOTE: ALL owners (even those with less than 5% ownership) and their relatives who receive any type of compensation from this home must be listed on this schedule.

	1	2	3	4	5	6		7		8	
	Name	Title	Function	Ownership Interest	Compensation Received From Other Nursing Homes*	Average Hours Per Work Week Devoted to this Facility and % of Total Work Week		Compensation Included in Costs for this Reporting Period**		Schedule V. Line & Column Reference	
						Hours	Percent	Description	Amount		
1	Henry Mermelstein	Administrator	Administrative	None	230,603	6	7.76%	Salary	$ 19,397	L 17, Col 7	1
2	Louise Mermelstein	Food Serv Superv	Support	None	76,215	11	15.32%	Salary	13,785	L 1, Col 7	2
3	Marvin Mermelstein	Plant Supervisor	Support	75.00%	91,427	3	15.35%	Salary	16,573	L 6, Col 7	3
4	Doreen Mermelstein	Office Manager	Support	None	58,560	40	43.45%	Salary	45,000	L 21, Col 7	4
5											5
6	Marvin Mermelstein	Asst. Administrator	Administrative	See Above	137,141	4	15.35%	Salary	24,859	L 17, Col 7	6
7	Joseph Mermelstein	Owner	Administrative	25.00%	75,322	2	20.71%	Salary	19,678	L 17, Col 7	7
8											8
9		See Schedule B									9
10											10
11											11
12											12
13								TOTAL	$ 139,292		13

* If the owner(s) of this facility or any other related parties listed above have received compensation from other nursing homes, attach a schedule detailing the name(s) of the home(s) as well as the amount paid. THIS AMOUNT MUST AGREE TO THE AMOUNTS CLAIMED ON THE THE OTHER NURSING HOMES' COST REPORTS.

** This must include all forms of compensation paid by related entities and allocated to Schedule V of this report (i.e., management fees). FAILURE TO PROPERLY COMPLETE THIS SCHEDULE INDICATING ALL FORMS OF COMPENSATION RECEIVED FROM THIS HOME, ALL OTHER NURSING HOMES AND MANAGEMENT COMPANIES MAY RESULT IN THE DISALLOWANCE OF SUCH COMPENSATION

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 2/31/2003

VIII. ALLOCATION OF INDIRECT COSTS

A. Are there any costs included in this report which were derived from allocations of central office or parent organization costs? (See instructions.) YES [X] NO [ ]

B. Show the allocation of costs below. If necessary, please attach worksheets.

Name of Related Organization: Nivram Management, Inc.
Street Address: 6500 N. Hamlin Ave.
City / State / Zip Code: Lincolnwood, IL 60712
Phone Number: (847) 679-7484
Fax Number: (847) 679-7494

	1 Schedule V Line Reference	2 Item	3 Unit of Allocation (i.e.,Days, Direct Cost, Square Feet)	4 Total Units	5 Number of Subunits Being Allocated Among	6 Total Indirect Cost Being Allocated	7 Amount of Salary Cost Contained in Column 6	8 Facility Units	9 Allocation (col.8/col.4)x col.6	
1	21	Bank Charges	Resident Beds	1,069	6	$ 310	$	180	$ 52	1
2	21	Office Expenses	Resident Beds	1,069	6	7,983		180	1,344	2
3	21	Supplies	Resident Beds	1,069	6	8,665		180	1,459	3
4	21	Franchise Tax	Resident Beds	1,069	6	100		180	17	4
5	19	Accounting	Resident Beds	1,069	6	4,674		180	787	5
6	22	Payroll Taxes	Resident Beds	1,069	6	96,804		180	16,300	6
7	5	Utilities	Resident Beds	1,069	6	1,936		180	326	7
8	34	Rent	Resident Beds	1,069	6	1,917		180	323	8
9	6	Repairs & Maintenance	Resident Beds	1,069	6	3,240		180	546	9
10	22	Health Insurance	Resident Beds	1,069	6	9,425		180	1,587	10
11	21	Moving Expense	Resident Beds	1,069	6	1,210		180	204	11
12	35	Equipment Rental	Resident Beds	1,069	6	1,696		180	286	12
13	30	Depreciation	Resident Beds	1,069	6	21,751		180	3,662	13
14	21	Auto Expense	Resident Beds	1,069	6	348		180	59	14
15	20	Advertising	Resident Beds	1,069	6	557		180	94	15
16	21	Commissions	Resident Beds	1,069	6	15,755		180	2,653	16
17	21	Telephone	Resident Beds	1,069	6	5,269		180	887	17
18	6	Plant Supervisor Salary	Direct Cost	1	1	16,573	16,573	1	16,573	18
19	17	Asst. Administrator Salry	Direct Cost	1	1	24,859	24,859	1	24,859	19
20	21	Office Manager Salary	Direct Cost	1	1	45,000	45,000	1	45,000	20
21	1	Food Service Superv Salary	Direct Cost	1	1	13,785	13,785	1	13,785	21
22	17	Administrative Salaries	Direct Cost	1	1	39,075	39,075	1	39,075	22
23	17	Administrator Salary	Direct Cost	1	1	60,154	60,154	1	60,154	23
24	21	Clerical Salaries	Direct Cost	1	1	102,410	102,410	1	102,410	24
25	TOTALS					$ 483,496	$ 301,856		$ 332,442	25

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE

A. Interest: (Complete details must be provided for each loan - attach a separate schedule if necessary.)

	1	2		3	4	5	6	7	8	9	10	
	Name of Lender	Related**		Purpose of Loan	Monthly Payment Required	Date of Note	Amount of Note		Maturity Date	Interest Rate (4 Digits)	Reporting Period Interest Expense	
		YES	NO				Original	Balance				
	A. Directly Facility Related											
	Long-Term											
1							$	$			$	1
2												2
3												3
4												4
5												5
	Working Capital											
6												6
7												7
8												8
9	TOTAL Facility Related						$ 0	$ 0			$ 0	9
	B. Non-Facility Related*											
10												10
11												11
12												12
13												13
14	TOTAL Non-Facility Related						$ 0	$ 0			$ 0	14
15	TOTALS (line 9+line14)						$ 0	$ 0			$ 0	15

16) Please indicate the total amount of mortgage insurance expense and the location of this expense on Sch. V. $ _____ Line # _____

* **Any interest expense reported in this section should be adjusted out on page 5, line 14 and, consequently, page 4, col. 7. (See instructions.)**

** **If there is ANY overlap in ownership between the facility and the lender, this must be indicated in column 2. (See instructions.)**

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

IX. INTEREST EXPENSE AND REAL ESTATE TAX EXPENSE (continued)

B. Real Estate Taxes

1. Real Estate Tax accrual used on 2002 report.	***Important***, please see the next worksheet, "RE_Tax". The real estate tax statement and bill must accompany the cost report.	$ 141,000	1
2. Real Estate Taxes paid during the year: (Indicate the tax year to which this payment applies. If payment covers more than one year, detail below.)		$ 256,657	2
3. Under or (over) accrual (line 2 minus line 1).		$ 115,657	3
4. Real Estate Tax accrual used for 2003 report. (Detail and explain your calculation of this accrual on the lines below.)		$	4
5. Direct costs of an appeal of tax assessments which has NOT been included in professional fees or other general operating costs on Schedule V, sections A, B or C. **(Describe appeal cost below. Attach copies of invoices to support the cost and a copy of the appeal filed with the county.)**		$ 115	5
6. Subtract a refund of real estate taxes. You must offset the full amount of any direct appeal costs classified as a real estate tax cost plus one-half of any remaining refund. **TOTAL REFUND** $ 13,097 **For** Below **Tax Year.** **(Attach a copy of the real estate tax appeal board's decision.)**		$ (13,097)	6
7. Real Estate Tax expense reported on Schedule V, line 33. This should be a combination of lines 3 thru 6.		$ 102,675	7

Real Estate Tax History:

Real Estate Tax Bill for Calendar Year:		
1998	136,928	8
1999	185,991	9
2000	133,451	10
2001	136,922	11
2002	138,457	12

1996 Refund = $123.36 - Legal Fee ($41.12) = Net Balance $82.24
1997 Refund = $223.06 - Legal Fee ($74.35) = Net Balance $148.71
2000 Refund = $6,446.67
2001 Refund = $6,304.74

FOR OHF USE ONLY

13	FROM R. E. TAX STATEMENT FOR 2002	$	13
14	PLUS APPEAL COST FROM LINE 5	$	14
15	LESS REFUND FROM LINE 6	$	15
16	AMOUNT TO USE FOR RATE CALCULATION	$	16

NOTES:

1. **Please indicate a negative number by use of brackets( ). Deduct any overaccrual of taxes from prior year.**
2. **If facility is a non-profit which pays real estate taxes, you must attach a denial of an application for real estate tax exemption unless the building is rented from a for-profit entity. This denial must be no more than four years old at the time the cost report is filed.**

IMPORTANT NOTICE

TO: Long Term Care Facilities with Real Estate Tax Rates **RE:** 2002 REAL ESTATE TAX COST DOCUMENTATION

In order to set the real estate tax portion of the capital rate, it is necessary that we obtain additional information regarding your calendar 2002 real estate tax costs, as well as copies of your real estate tax bills for calendar 2002.

Please complete the Real Estate Tax Statement below and forward with a copy of your 2002 real estate tax bill to the Department of Public Aid, Office of Health Finance, 201 South Grand Avenue East, Springfield, Illinois 62763.

Please send these items in with your completed 2003 cost report. The cost report will not be considered complete and timely filed until this statement and the corresponding real estate tax bills are filed. If you have any questions, please call the Office of Health Finance at (217) 782-1630.

2002 LONG TERM CARE REAL ESTATE TAX STATEMENT

FACILITY NAME Winston Manor Cnv & Nursing COUNTY Cook

FACILITY IDPH LICENSE NUMBER 0035782

CONTACT PERSON REGARDING THIS REPORT Sanford B Alper

TELEPHONE (847) 580-4100 FAX #: (847) 580-4199

A. **Summary of Real Estate Tax Cost**

Enter the tax index number and real estate tax assessed for 2002 on the lines provided below. Enter only the portion of the cost that applies to the operation of the nursing home in Column D. Real estate tax applicable to any portion of the nursing home property which is vacant, rented to other organizations, or used for purposes other than long term care must not be entered in Column D. Do not include cost for any period other than calendar year 2002.

	(A) Tax Index Number	(B) Property Description	(C) Total Tax	(D) Tax Applicable to Nursing Home
1.	17-06-106-001-0000	Winston Manor Nursing Home	$ 138,457.00	$ 138,457.00
2.			$	$
3.			$	$
4.			$	$
5.			$	$
6.			$	$
7.			$	$
8.			$	$
9.			$	$
10.			$	$
		TOTALS	$ 138,457.00	$ 138,457.00

B. **Real Estate Tax Cost Allocations**

Does any portion of the tax bill apply to more than one nursing home, vacant property, or property which is not directly used for nursing home services? _____ YES X NO

If YES, attach an explanation & a schedule which shows the calculation of the cost allocated to the nursing home. (Generally the real estate tax cost must be allocated to the nursing home based upon sq. ft. of space used.)

C. **Tax Bills**

Attach a copy of the 2002 tax bills which were listed in Section A to this statement. Be sure to use the 2002 tax bill which is normally paid during 2003.

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

X. BUILDING AND GENERAL INFORMATION:

A. Square Feet: 59,192 B. General Construction Type: Exterior Brick Frame Steel Number of Stories 4

C. Does the Operating Entity? [ ] (a) Own the Facility [X] (b) Rent from a Related Organization. [ ] (c) Rent from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI. Those checking (c) may complete Schedule XI or Schedule XII-A. See instructions.)

D. Does the Operating Entity? [ ] (a) Own the Equipment [X] (b) Rent equipment from a Related Organization. [X] (c) Rent equipment from Completely Unrelated Organization.

(Facilities checking (a) or (b) must complete Schedule XI-C. Those checking (c) may complete Schedule XI-C or Schedule XII-B. See instructions.)

E. List all other business entities owned by this operating entity or related to the operating entity that are located on or adjacent to this nursing home's grounds (such as, but not limited to, apartments, assisted living facilities, day training facilities, day care, independent living facilities, nurse aide training facilities, etc.) List entity name, type of business, square footage, and number of beds/units available (where applicable).

F. Does this cost report reflect any organization or pre-operating costs which are being amortized? [ ] YES [X] NO
If so, please complete the following:

1. Total Amount Incurred:
2. Number of Years Over Which it is Being Amortized:
3. Current Period Amortization:
4. Dates Incurred:

Nature of Costs:
(Attach a complete schedule detailing the total amount of organization and pre-operating costs.)

XI. OWNERSHIP COSTS:

A. Land.

	1 Use	2 Square Feet	3 Year Acquired	4 Cost	
1	Nursing Home		1989	$ 105,000	1
2					2
3	TOTALS			$ 105,000	3

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Beds*	FOR OHF USE ONLY	2 Year Acquired	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
4	180		1989		$ 1,536,832	$	31.5	$ 48,779	$ 48,779	$ 640,333	4
5					(30,119)						5
6											6
7											7
8											8
	Improvement Type**										
9	Security System			1990	9,200	292	31.5	292		4,052	9
10	Interior Improvement			1990	32,039	1,018	31.5	1,018		13,781	10
11	Elevator			1990	5,300	168	31.5	168		2,261	11
12	Tiling & Lobby Office			1990	10,143	322	31.5	322		4,281	12
13	Building Improvements			1991	3,230	103	31.5	103		1,286	13
14	Building Improvements			1991	4,806	153	31.5	153		1,899	14
15	Tiles			1991	11,906	377	31.5	377		4,556	15
16	Radiator Cover			1992	12,400	394	31.5	394		4,646	16
17	Electrical Work			1992	3,500	111	31.5	111		1,300	17
18	Building Improvements			1993	21,476	550	39	550		5,716	18
19	Building Improvements			1995	34,754	891	39	891		7,611	19
20	Flooring & Tile			1996	5,355	137	39	137		1,033	20
21	Generator			1996	35,589	913	39	913		6,886	21
22	Air Conditioner			1996	16,511	423	39	423		3,191	22
23	Alarm System			1996	3,744	96	39	96		724	23
24	Roof			1996	1,200	31	39	31		234	24
25	Hot Water Heater			1996	2,900	74	39	74		558	25
26	Smoke Eater			1993	4,600		10	460	460	4,370	26
27	Air Conditioner			1993	2,550		10	255	255	2,422	27
28	Carpet			1993	3,527		10	353	353	3,354	28
29	Boiler			1993	3,600		10	360	360	3,420	29
30	Air Conditioner			1994	5,122		10	512	512	4,352	30
31	Hot Water Heater			1995	4,160		10	416	416	3,124	31
32	Air Conditioner			1995	2,816		10	282	282	2,123	32
33	Glass			1995	647		10	64	64	448	33
34	Roof			1997	21,350	547	39	547		3,556	34
35	Phone Sytem			1997	13,666	350	39	350		2,275	35
36	Electrical Work			1997	49,685	1,274	39	1,274		8,281	36

*Total beds on this schedule must agree with page 2.

**Improvement type must be detailed in order for the cost report to be considered complete.

See Page 12A, Line 70 for total

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

XI. OWNERSHIP COSTS (continued)

B. Building Depreciation-Including Fixed Equipment. (See instructions.) Round all numbers to nearest dollar.

	1 Improvement Type**	3 Year Constructed	4 Cost	5 Current Book Depreciation	6 Life in Years	7 Straight Line Depreciation	8 Adjustments	9 Accumulated Depreciation	
37	Central Air Conditioning	1997	$ 35,499	$ 910	39	$ 910	$	$ 5,915	37
38	New Office Construction	1997	4,442	114	39	114		741	38
39	Boiler Insulation / Installation	1997	29,412	754	39	754		4,901	39
40	Fire Alarm & Sprinklers	1997	2,475	63	39	63		410	40
41	Doors & Construction	1997	8,191	210	39	210		1,365	41
42	Plumbing - Toilets, Pipes	1997	4,719	121	39	121		787	42
43	Roof	1998	3,900	100	39	100		550	43
44	HVAC Work	1998	2,700	69	39	69		380	44
45	Doors & Construction	1998	2,729	70	39	70		385	45
46	Time Clock	1998	5,244	135	39	135		617	46
47	Air Conditioner	1998	777	20	39	20		110	47
48	Phone System	1998	1,283	33	39	33		187	48
49	Door	1999	2,500	64	39	64		225	49
50	Fire Damper	1999	1,783	46	39	46		161	50
51	Water System	1999	6,000	154	39	154		539	51
52	Doors & Construction	1999	2,500	64	39	64		192	52
53	Kitchen and Tiling	1999	10,250	263	39	263		920	53
54	New Windows	2001	1,300	33	39	33		67	54
55	Doors and Frame	2001	2,055	53	39	53		105	55
56	Electric Wiring	2001	443	11	39	11		23	56
57	Wall Repair	2001	1,000	26	39	26		52	57
58	Roof Repair	2003	1,150	581	39	29	(552)	29	58
59									59
60									60
61									61
62									62
63									63
64									64
65									65
66									66
67									67
68									68
69									69
70	TOTAL (lines 4 thru 69)		$ 1,962,841	$ 12,118		$ 63,047	$ 50,929	$ 760,734	70

**Improvement type must be detailed in order for the cost report to be considered complete.

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

XI. OWNERSHIP COSTS (continued)

C. Equipment Depreciation-Excluding Transportation. (See instructions.)

	Category of Equipment	1 Cost	Current Book Depreciation 2	Straight Line Depreciation 3	4 Adjustments	Component Life 5	Accumulated Depreciation 6	
71	Purchased in Prior Years	$ 128,116	$ 9,756	$ 12,812	$ 3,056	10 Yrs	$ 87,873	71
72	Current Year Purchases	1,082	618	108	(510)	10 Yrs	108	72
73	Fully Depreciated Assets	370,534			0		370,534	73
74	Mng Comp & Bld Prtn		54,566	366	(54,200)		366	74
75	TOTALS	$ 499,732	$ 64,940	$ 13,286	$ (51,654)		$ 458,881	75

D. Vehicle Depreciation (See instructions.)*

	1 Use	Model, Make and Year 2	Year Acquired 3	4 Cost	Current Book Depreciation 5	Straight Line Depreciation 6	7 Adjustments	Life in Years 8	Accumulated Depreciation 9	
76				$	$	$	$ 0		$	76
77							0			77
78							0			78
79							0			79
80	TOTALS			$ 0	$ 0	$ 0	$ 0		$ 0	80

E. Summary of Care-Related Assets

		1 Reference	2 Amount	
81	Total Historical Cost	(line 3, col.4 + line 70, col.4 + line 75, col.1 + line 80, col.4) + (Pages 12B thru 12I, if applicable)	$ 2,567,573	81
82	Current Book Depreciation	(line 70, col.5 + line 75, col.2 + line 80, col.5) + (Pages 12B thru 12I, if applicable)	$ 77,058	82
83	Straight Line Depreciation	(line 70, col.7 + line 75, col.3 + line 80, col.6) + (Pages 12B thru 12I, if applicable)	$ 76,333	83 **
84	Adjustments	(line 70, col.8 + line 75, col.4 + line 80, col.7) + (Pages 12B thru 12I, if applicable)	$ (725)	84
85	Accumulated Depreciation	(line 70, col.9 + line 75, col.6 + line 80, col.9) + (Pages 12B thru 12I, if applicable)	$ 1,219,615	85

F. Depreciable Non-Care Assets Included in General Ledger. (See instructions.)

	1 Description & Year Acquired	2 Cost	Current Book Depreciation 3	Accumulated Depreciation 4	
86		$	$	$	86
87					87
88					88
89					89
90					90
91	TOTALS	$	$	$	91

G. Construction-in-Progress

	Description	Cost	
92		$	92
93			93
94			94
95		$	95

* Vehicles used to transport residents to & from day training must be recorded in XI-F, not XI-D.

** This must agree with Schedule V line 30, column 8.

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

XII. RENTAL COSTS

A. Building and Fixed Equipment (See instructions.)

1. Name of Party Holding Lease:

2. Does the facility also pay real estate taxes in addition to rental amount shown below on line 7, column 4? If NO, see instructions. [ ] YES [X] NO

		1 Year Constructed	2 Number of Beds	3 Date of Lease	4 Rental Amount	5 Total Years of Lease	6 Total Years Renewal Option*	
3	Original Building:				$ 482,675			3
4	Additions							4
5								5
6								6
7	TOTAL				$ 482,675 **			7

8. List separately any amortization of lease expense included on page 4, line 34. This amount was calculated by dividing the total amount to be amortized by the length of the lease .

9. Option to Buy: [ ] YES [X] NO Terms: Annual Lease *

10. Effective dates of current rental agreement:
Beginning 01/01/03
Ending 12/31/03

11. Rent to be paid in future years under the current rental agreement:

	Fiscal Year Ending	Annual Rent
12.	/2004	$
13.	/2005	$
14.	/2006	$

B. Equipment-Excluding Transportation and Fixed Equipment. (See instructions.)

15. Is Movable equipment rental included in building rental? [ ] YES [X] NO

16. Rental Amount for movable equipment: $ 4,829 Description: Ice Macker - $900; Copier - $3,643; Copier - $286.
(Attach a schedule detailing the breakdown of movable equipment)

C. Vehicle Rental (See instructions.)

	1 Use	2 Model Year and Make	3 Monthly Lease Payment	4 Rental Expense for this Period	
17	Administrative	2002 Honda CR-V	$ 490.00	$ 5,391	17
18	Administrative	2002 Jeep Cherokee	500.00	5,498	18
19	Administrative	2002 Chevrolet	613.00	7,354	19
20					20
21	TOTAL		$ 1,603.00	$ 18,243	21

* If there is an option to buy the building, please provide complete details on attached schedule.

** This amount plus any amortization of lease expense must agree with page 4, line 34.

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

XIII. EXPENSES RELATING TO NURSE AIDE TRAINING PROGRAMS (See instructions.)

A. TYPE OF TRAINING PROGRAM (If aides are trained in another facility program, attach a schedule listing the facility name, address and cost per aide trained in that facility.)

1. HAVE YOU TRAINED AIDES DURING THIS REPORT PERIOD?

[ ] YES
[X] NO

If "yes", please complete the remainder of this schedule. If "no", provide an explanation as to why this training was not necessary.

2. CLASSROOM PORTION:

IN-HOUSE PROGRAM [ ]
IN OTHER FACILITY [ ]
COMMUNITY COLLEGE [ ]
HOURS PER AIDE ____

3. CLINICAL PORTION:

IN-HOUSE PROGRAM [ ]
IN OTHER FACILITY [ ]
HOURS PER AIDE ____

B. EXPENSES

ALLOCATION OF COSTS (d)

		1	2	3	4
		Facility			
		Drop-outs	Completed	Contract	Total
1	Community College Tuition	$	$	$	$ 0
2	Books and Supplies				0
3	Classroom Wages (a)				0
4	Clinical Wages (b)				0
5	In-House Trainer Wages (c)				0
6	Transportation				0
7	Contractual Payments				0
8	Nurse Aide Competency Tests				0
9	TOTALS	$ 0	$ 0	$ 0	$ 0
10	SUM OF line 9, col. 1 and 2 (e)	$ 0			

C. CONTRACTUAL INCOME

In the box below record the amount of income your facility received training aides from other facilities.

$

D. NUMBER OF AIDES TRAINED

COMPLETED	
1. From this facility	
2. From other facilities (f)	
DROP-OUTS	
1. From this facility	
2. From other facilities (f)	
TOTAL TRAINED	

(a) Include wages paid during the classroom portion of training. Do not include fringe benefits.
(b) Include wages paid during the clinical portion of training. Do not include fringe benefits.
(c) For in-house training programs only. Do not include fringe benefits.
(d) Allocate based on if the aide is from your facility or is being contracted to be trained in your facility. Drop-out costs can only be for costs incurred by your own aides.
(e) The total amount of Drop-out and Completed Costs for your own aides must agree with Sch. V, line 13, col. 8.
(f) Attach a schedule of the facility names and addresses of those facilities for which you trained aides.

XIV. SPECIAL SERVICES (Direct Cost) (See instructions.)

		1	2	3	4	5	6	7	8	
	Service	Schedule V Line & Column Reference	Staff		Outside Practitioner (other than consultant)		Supplies (Actual or) Allocated)	Total Units (Column 2 + 4)	Total Cost (Col. 3 + 5 + 6)	
			Units of Service	Cost	Units	Cost				
1	Licensed Occupational Therapist		hrs	$		$	$		$	1
2	Licensed Speech and Language Development Therapist		hrs							2
3	Licensed Recreational Therapist		hrs							3
4	Licensed Physical Therapist		hrs							4
5	Physician Care		visits							5
6	Dental Care		visits							6
7	Work Related Program		hrs							7
8	Habilitation		hrs							8
9	Pharmacy		# of prescrpts							9
10	Psychological Services (Evaluation and Diagnosis/ Behavior Modification)		hrs							10
11	Academic Education		hrs							11
12	Exceptional Care Program									12
13	Other (specify):									13
14	TOTAL			$		$	$		$	14

NOTE: This schedule should include fees (other than consultant fees) paid to licensed practitioners. Consultant fees should be detailed on Schedule XVIII-B. Salaries of unlicensed practitioners, such as nurse aides, who help with the above activities should not be listed on this schedule.

STATE OF ILLINOIS

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

XV. BALANCE SHEET - Unrestricted Operating Fund.

As of 12/31/2003 (last day of reporting year)

This report must be completed even if financial statements are attached.

		1 Operating	2 After Consolidation*	
	A. Current Assets			
1	Cash on Hand and in Banks	$ 971,487	$ 972,230	1
2	Cash-Patient Deposits			2
3	Accounts & Short-Term Notes Receivable-Patients (less allowance)	271,925	271,925	3
4	Supply Inventory (priced at)			4
5	Short-Term Investments			5
6	Prepaid Insurance	100,437	100,437	6
7	Other Prepaid Expenses	41,941	41,941	7
8	Accounts Receivable (owners or related parties)		239,000	8
9	Other(specify): Due from Affiliates	38,011	38,011	9
10	**TOTAL Current Assets (sum of lines 1 thru 9)**	$ 1,423,801	$ 1,663,544	10
	B. Long-Term Assets			
11	Long-Term Notes Receivable			11
12	Long-Term Investments			12
13	Land		105,000	13
14	Buildings, at Historical Cost		1,536,832	14
15	Leasehold Improvements, at Historical Cost	429,106	503,811	15
16	Equipment, at Historical Cost	526,748	526,748	16
17	Accumulated Depreciation (book methods)	(604,281)	(1,316,198)	17
18	Deferred Charges			18
19	Organization & Pre-Operating Costs			19
20	Accumulated Amortization - Organization & Pre-Operating Costs			20
21	Restricted Funds			21
22	Other Long-Term Assets (specify):			22
23	Other(specify): Deposits	500	500	23
24	**TOTAL Long-Term Assets (sum of lines 11 thru 23)**	$ 352,073	$ 1,356,693	24
25	**TOTAL ASSETS (sum of lines 10 and 24)**	$ 1,775,874	$ 3,020,237	25

		1 Operating	2 After Consolidation*	
	C. Current Liabilities			
26	Accounts Payable	$ 27,583	$ 27,583	26
27	Officer's Accounts Payable			27
28	Accounts Payable-Patient Deposits			28
29	Short-Term Notes Payable			29
30	Accrued Salaries Payable	80,086	80,086	30
31	Accrued Taxes Payable (excluding real estate taxes)			31
32	Accrued Real Estate Taxes(Sch.IX-B)		141,000	32
33	Accrued Interest Payable			33
34	Deferred Compensation			34
35	Federal and State Income Taxes	6,511	6,511	35
	Other Current Liabilities(specify):			
36	See Attached Schedule 17A	1,941,902	1,941,902	36
37				37
38	**TOTAL Current Liabilities (sum of lines 26 thru 37)**	$ 2,056,082	$ 2,197,082	38
	D. Long-Term Liabilities			
39	Long-Term Notes Payable			39
40	Mortgage Payable			40
41	Bonds Payable			41
42	Deferred Compensation			42
	Other Long-Term Liabilities(specify):			
43				43
44				44
45	**TOTAL Long-Term Liabilities (sum of lines 39 thru 44)**	$ 0	$ 0	45
46	**TOTAL LIABILITIES (sum of lines 38 and 45)**	$ 2,056,082	$ 2,197,082	46
47	**TOTAL EQUITY(page 18, line 24)**	$ (280,208)	$ 823,155	47
48	**TOTAL LIABILITIES AND EQUITY (sum of lines 46 and 47)**	$ 1,775,874	$ 3,020,237	48

*(See instructions.)

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

XVI. STATEMENT OF CHANGES IN EQUITY

		1 Total	
1	**Balance at Beginning of Year, as Previously Reported**	$ 377,323	1
2	Restatements (describe):		2
3			3
4			4
5			5
6	**Balance at Beginning of Year, as Restated (sum of lines 1-5)**	$ 377,323	6
	A. Additions (deductions):		
7	NET Income (Loss) (from page 19, line 43)	942,469	7
8	Aquisitions of Pooled Companies		8
9	Proceeds from Sale of Stock		9
10	Stock Options Exercised		10
11	Contributions and Grants		11
12	Expenditures for Specific Purposes		12
13	Dividends Paid or Other Distributions to Owners	(1,600,000)	13
14	Donated Property, Plant, and Equipment		14
15	Other (describe)		15
16	Other (describe)		16
17	**TOTAL Additions (deductions) (sum of lines 7-16)**	$ (657,531)	17
	B. Transfers (Itemize):		
18			18
19			19
20			20
21			21
22			22
23	**TOTAL Transfers (sum of lines 18-22)**	$ 0	23
24	**BALANCE AT END OF YEAR (sum of lines 6 + 17 + 23)**	$ (280,208)	24 *

*** This must agree with page 17, line 47.**

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

XVII. INCOME STATEMENT (attach any explanatory footnotes necessary to reconcile this schedule to Schedules V and VI.) All required classifications of revenue and expense must be provided on this form, even if financial statements are attached.

Note: This schedule should show gross revenue and expenses. Do not net revenue against expense

	Revenue	1 Amount	
	A. Inpatient Care		
1	Gross Revenue -- All Levels of Care	$ 4,650,081	1
2	Discounts and Allowances for all Levels	( )	2
3	**SUBTOTAL Inpatient Care (line 1 minus line 2)**	$ 4,650,081	3
	B. Ancillary Revenue		
4	Day Care		4
5	Other Care for Outpatients		5
6	Therapy	18,136	6
7	Oxygen		7
8	**SUBTOTAL Ancillary Revenue (lines 4 thru 7)**	$ 18,136	8
	C. Other Operating Revenue		
9	Payments for Education		9
10	Other Government Grants		10
11	Nurses Aide Training Reimbursements		11
12	Gift and Coffee Shop		12
13	Barber and Beauty Care		13
14	Non-Patient Meals		14
15	Telephone, Television and Radio		15
16	Rental of Facility Space		16
17	Sale of Drugs		17
18	Sale of Supplies to Non-Patients		18
19	Laboratory		19
20	Radiology and X-Ray		20
21	Other Medical Services		21
22	Laundry		22
23	**SUBTOTAL Other Operating Revenue (lines 9 thru 22)**	$ 0	23
	D. Non-Operating Revenue		
24	Contributions		24
25	Interest and Other Investment Income***	7,610	25
26	**SUBTOTAL Non-Operating Revenue (lines 24 and 25)**	$ 7,610	26
	E. Other Revenue (specify):**		
27	**Settlement Income (Insurance, Legal, Etc.)**		27
28	Vending Income	3,359	28
28a			28a
29	**SUBTOTAL Other Revenue (lines 27, 28 and 28a)**	$ 3,359	29
30	**TOTAL REVENUE (sum of lines 3, 8, 23, 26 and 29)**	$ 4,679,186	30

	Expenses	2 Amount	
	A. Operating Expenses		
31	General Services	858,551	31
32	Health Care	1,041,968	32
33	General Administration	1,197,175	33
	B. Capital Expense		
34	Ownership	527,953	34
	C. Ancillary Expense		
35	Special Cost Centers		35
36	Provider Participation Fee	98,550	36
	D. Other Expenses (specify):		
37			37
38			38
39			39
40	**TOTAL EXPENSES (sum of lines 31 thru 39)***	$ 3,724,197	40
41	**Income before Income Taxes (line 30 minus line 40)****	954,989	41
42	**Income Taxes**	(12,520)	42
43	**NET INCOME OR LOSS FOR THE YEAR (line 41 minus line 42)**	$ 942,469	43

* **This must agree with page 4, line 45, column 4.**

** **Does this agree with taxable income (loss) per Federal Income Tax Return? No If not, please attach a reconciliation.**

*** **See the instructions. If this total amount has not been offset against interest expense on Schedule V, line 32, please include a detailed explanation.**

****Provide a detailed breakdown of "Other Revenue" on an attached sheet.**

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

XVIII. A. STAFFING AND SALARY COSTS (Please report each line separately.)
(This schedule must cover the entire reporting period.)

		1 # of Hrs. Actually Worked	2** # of Hrs. Paid and Accrued	3 Reporting Period Total Salaries, Wages	4 Average Hourly Wage	
1	Director of Nursing	1,440	1,587	$ 50,736	$ 31.97	1
2	Assistant Director of Nursing	1,505	1,713	36,284	21.18	2
3	Registered Nurses	8,400	8,788	209,598	23.85	3
4	Licensed Practical Nurses	8,782	9,210	147,498	16.01	4
5	Nurse Aides & Orderlies	48,999	53,300	497,971	9.34	5
6	Nurse Aide Trainees					6
7	Licensed Therapist					7
8	Rehab/Therapy Aides	2,026	2,262	25,612	11.32	8
9	Activity Director	1,427	1,467	13,376	9.12	9
10	Activity Assistants	9,187	9,932	74,409	7.49	10
11	Social Service Workers	2,105	2,137	32,086	15.01	11
12	Dietician					12
13	Food Service Supervisor	2,513	2,810	35,620	12.68	13
14	Head Cook					14
15	Cook Helpers/Assistants	18,787	20,890	178,183	8.53	15
16	Dishwashers					16
17	Maintenance Workers	2,218	2,274	28,956	12.73	17
18	Housekeepers	19,055	20,273	146,498	7.23	18
19	Laundry					19
20	Administrator					20
21	Assistant Administrator	1,120	1,120	15,501	13.84	21
22	Other Administrative					22
23	Office Manager					23
24	Clerical	10,731	11,542	99,499	8.62	24
25	Vocational Instruction					25
26	Academic Instruction					26
27	Medical Director					27
28	Qualified MR Prof. (QMRP)					28
29	Resident Services Coordinator					29
30	Habilitation Aides (DD Homes)					30
31	Medical Records					31
32	Other Health Care(specify)					32
33	Other(specify)					33
34	TOTAL (lines 1 - 33)	138,295	149,305	$ 1,591,827 *	$ 10.66	34

* This total must agree with page 4, column 1, line 45.

** See instructions.

B. CONSULTANT SERVICES

		1 Number of Hrs. Paid & Accrued	2 Total Consultant Cost for Reporting Period	3 Schedule V Line & Column Reference	
35	Dietary Consultant	M	$ 8,903	L 1, Col 3	35
36	Medical Director	O	1,800	L 10, Col 3	36
37	Medical Records Consultant	N	2,048	L 10, Col 3	37
38	Nurse Consultant	T			38
39	Pharmacist Consultant	H			39
40	Physical Therapy Consultant	L	909	L 10A, Col 3	40
41	Occupational Therapy Consultant	Y	184	L 10A, Col 3	41
42	Respiratory Therapy Consultant				42
43	Speech Therapy Consultant	F			43
44	Activity Consultant	E	1,100	L 11, Col 3	44
45	Social Service Consultant	E	2,570	L 12, Col 3	45
46	Other(specify)	S			46
47					47
48					48
49	TOTAL (lines 35 - 48)		$ 17,514		49

C. CONTRACT NURSES

		1 Number of Hrs. Paid & Accrued	2 Total Contract Wages	3 Schedule V Line & Column Reference	
50	Registered Nurses		$		50
51	Licensed Practical Nurses				51
52	Nurse Aides				52
53	TOTAL (lines 50 - 52)		$		53

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

XIX. SUPPORT SCHEDULES

A. Administrative Salaries

Name	Function	Ownership %	Amount
Catherine Hernandez	Asst Administrator	0.00%	$ 9,440
Phillip Morgenstein	Asst Administrator	0.00%	6,061
TOTAL (agree to Schedule V, line 17, col. 1)			
(List each licensed administrator separately.)			$ 15,501

B. Administrative - Other

Description	Amount
	$
Management Fees	332,440
TOTAL (agree to Schedule V, line 17, col. 3)	$ 332,440
(Attach a copy of any management service agreement)	

C. Professional Services

Vendor/Payee	Type	Amount
Accu-Med Services, Inc.	Computer	$ 2,631
Health Data Systems, Inc.	Computer	2,277
MEDI.COM	Computer	481
Automatic Data Processing	Payroll Service	1,648
Kessler, Orlean, Silver & Co.	Accounting	5,550
Personnel Planners, Inc.	U/C Consultant	1,185
Systematic Management System	Billing Consultant	4,898
Torshen, Slobig, Genden	Legal	31,166
Howard Reich	Legal	3,486
Klafter & Burke	Legal	4,208
Fulgencio Durmendes	Legal	3,000
Purcell & Wardrope	Settlement for Prior Yrs	533
TOTAL (agree to Schedule V, line 19, column 3)		
(If total legal fees exceed $2500 attach copy of invoices.)		$ 61,063

D. Employee Benefits and Payroll Taxes

Description	Amount
Workers' Compensation Insurance	$ 101,848
Unemployment Compensation Insurance	10,587
FICA Taxes	118,053
Employee Health Insurance	100,513
Employee Meals	21,626
Illinois Municipal Retirement Fund (IMRF)*	
Chicago Head Tax	5,711
Other Employee Benefits	14,752
Allocation from Management Company	17,887
TOTAL (agree to Schedule V, line 22, col.8)	$ 390,977

E. Schedule of Non-Cash Compensation Paid to Owners or Employees

Description	Line #	Amount
		$
TOTAL		$

F. Dues, Fees, Subscriptions and Promotions

Description	Amount
IDPH License Fee	$ 520
Advertising: Employee Recruitment	11,730
Health Care Worker Background Check	
(Indicate # of checks performed 2)	14
Yellow Pages Advertising	758
Allocation from Mng Company	94
See Attached Schedule	8,963
Less: Public Relations Expense	( )
Non-allowable advertising	( )
Yellow page advertising	(758)
TOTAL (agree to Sch. V, line 20, col. 8)	$ 21,321

G. Schedule of Travel and Seminar**

Description	Amount
Out-of-State Travel	$
In-State Travel	
Seminar Expense	420
Entertainment Expense	( )
TOTAL (agree to Sch. V, line 24, col. 8)	$ 420

* Attach copy of IMRF notifications

**See instructions.

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

XIX-H. SUPPORT SCHEDULE - DEFERRED MAINTENANCE COSTS (which have been included in Sch. V, line 6, col. 3).
(See instructions.)

	1	2	3	4	5	6	7	8	9	10	11	12	13
	Improvement Type	Month & Year Improvement Was Made	Total Cost	Useful Life	Amount of Expense Amortized Per Year								
					FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008
1			$		$	$	$	$	$	$	$	$	$
2													
3													
4													
5													
6													
7													
8													
9													
10													
11													
12													
13													
14													
15													
16													
17													
18													
19													
20	TOTALS		$		$	$	$	$	$	$	$	$	$

Facility Name & ID Number Winston Manor Cnv & Nursing # 0035782 Report Period Beginning: 01/01/2003 Ending: 12/31/2003

XX. GENERAL INFORMATION:

(1) Are nursing employees (RN,LPN,NA) represented by a union? **Yes**

(2) Are there any dues to nursing home associations included on the cost report? **Yes**
If YES, give association name and amount. **IL Council on Long Term Care $ 9,822**

(3) Did the nursing home make political contributions or payments to a political action organization? **No** If YES, have these costs been properly adjusted out of the cost report? **N/A**

(4) Does the bed capacity of the building differ from the number of beds licensed at the end of the fiscal year? **NO** If YES, what is the capacity? **N/A**

(5) Have you properly capitalized all major repairs and equipment purchases? **Yes**
What was the average life used for new equipment added during this period? **10 Years**

(6) Indicate the total amount of both disposable and non-disposable diaper expense and the location of this expense on Sch. V. $ **0** Line **N/A**

(7) Have all costs reported on this form been determined using accounting procedures consistent with prior reports? **Yes** If NO, attach a complete explanation.

(8) Are you presently operating under a sale and leaseback arrangement? **No**
If YES, give effective date of lease. **N/A**

(9) Are you presently operating under a sublease agreement? YES **X** NO

(10) Was this home previously operated by a related party (as is defined in the instructions for Schedule VII)? YES NO **X** If YES, please indicate name of the facility, IDPH license number of this related party and the date the present owners took over

(11) Indicate the amount of the Provider Participation Fees paid and accrued to the Department of Public Aid during this cost report period. $ **98,550**
This amount is to be recorded on line 42 of Schedule V.

(12) Are there any salary costs which have been allocated to more than one line on Schedule V for an individual employee? **Yes** If YES, attach an explanation of the allocation.

(13) Have costs for all supplies and services which are of the type that can be billed to the Department of Public Aid, in addition to the daily rate, been properly classified in the Ancillary Section of Schedule V? **Yes**

(14) Is a portion of the building used for any function other than long term care services for the patient census listed on page 2, Section B? **Yes** For example, is a portion of the building used for rental, a pharmacy, day care, etc.) If YES, attach a schedule which explains how all related costs were allocated to these functions.

(15) Indicate the cost of employee meals that has been reclassified to employee benefits on Schedule V. $ **21,626** Has any meal income been offset against related costs? **No** Indicate the amount. $ **N/A**

(16) Travel and Transportation
a. Are there costs included for out-of-state travel? **No**
If YES, attach a complete explanation.
b. Do you have a separate contract with the Department to provide medical transportation for residents? **NO** If YES, please indicate the amount of income earned from such a program during this reporting period. $ **N/A**
c. What percent of all travel expense relates to transportation of nurses and patients? **0**
d. Have vehicle usage logs been maintained? **Adequate Records are Maintained**
e. Are all vehicles stored at the nursing home during the night and all other times when not in use? **No**
f. Has the cost for commuting or other personal use of autos been adjusted out of the cost report? **Yes**
g. Does the facility transport residents to and from day training? No
Indicate the amount of income earned from providing such transportation during this reporting period. $ **N/A**

(17) Has an audit been performed by an independent certified public accounting firm? **No**
Firm Name: **N/A** The instructions for the cost report require that a copy of this audit be included with the cost report. Has this copy been attached? **N/A** If no, please explain. **N/A**

(18) Have all costs which do not relate to the provision of long term care been adjusted out of Schedule V? **Yes**

(19) If total legal fees are in excess of $2500, have legal invoices and a summary of services performed been attached to this cost report? **Yes**
Attach invoices and a summary of services for all architect and appraisal fees